

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 735 - SB 1106

March 16, 2009

SUMMARY OF BILL: Creates a new Class B misdemeanor offense for the owner of a vehicle knowingly to allow a person to operate the vehicle without a valid driver license. If serious bodily injury occurs, the offense will be punishable as a Class E felony. If death occurs, the offense would be a Class D felony.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Not Significant

Increase State Expenditures - \$53,000/Incarceration*

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions:

- The Department of Correction (DOC) estimates one additional Class E felony conviction each year. According to DOC, the average post-conviction time served for a Class E felony is 1.63 years. According to the DOC, the average operating cost per offender per day for calendar year 2009 is \$59.80. The cost per offender at 1.63 years is \$35,548.11 (\$59.80 x 594.45 days). The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based one additional Class E felony conviction.
- DOC estimates one additional Class D felony conviction every three years with 2.43 years time served (886.22 days). The annualized time served per conviction is 292.45 days (0.33 annual number of convictions x 886.22 days). The annualized cost per conviction is \$17,488.51 (\$59.80 x 292.45 days).
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period.
- A small increase in cases in the court system for the new Class B misdemeanor offenses, which will result in additional state and local

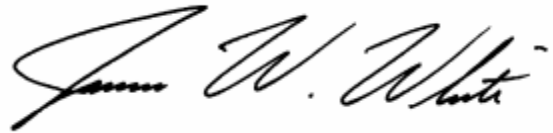
government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

- Since this bill creates a new offense, no recidivism discount has been included.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/lsc